

CITY OF VACAVILLE
Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 7 – LONG-TERM LIABILITIES

A. Long-Term Liabilities

The following is a summary of long-term liabilities for the fiscal year ended June 30, 2024

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Financed Obligations	\$ 5,438,526	\$ 20,196,265	\$ 1,522,860	\$ 24,111,931	\$ 1,561,202
Governmental activities long-term liabilities	<u>\$ 5,438,526</u>	<u>\$ 20,196,265</u>	<u>\$ 1,522,860</u>	<u>\$ 24,111,931</u>	<u>\$ 1,561,202</u>
	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Business-Type Activities:					
Loans Payable	\$ 84,984,248	\$ -	\$ 14,239,788	\$ 70,744,460	\$ 5,387,860
Financed Obligations	2,461,038	-	650,985	1,810,053	692,422
	<u>\$ 87,445,286</u>	<u>\$ -</u>	<u>\$ 14,890,773</u>	<u>\$ 72,554,513</u>	<u>\$ 6,080,282</u>
	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Private-Purpose Trust:					
Bonds Payable	\$ 25,839,816	\$ -	\$ 2,799,153	\$ 23,040,663	\$ 2,400,000
Private-Purpose trust long-term liabilities	<u>\$ 25,839,816</u>	<u>\$ -</u>	<u>\$ 2,799,153</u>	<u>\$ 23,040,663</u>	<u>\$ 2,400,000</u>

Activity

The following is a summary of changes in long-term liabilities for governmental activities. Activity for the City's fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Financed Obligations:					
Vacaville Recreation Corporation	\$ 408,640	\$ -	\$ 175,968	\$ 232,672	\$ 184,969
Leasource Financial Services, Inc. - Public Safety Radio	1,107,596	-	177,666	929,930	163,716
Leasource Financial Services, Inc. - Equipment 2019	421,551	-	60,068	361,483	61,737
PNC, LLC	2,461,039	-	650,985	1,810,054	692,422
Holman Corporation - 2014 Acquisition	113,416	-	55,900	57,516	57,516
Holman Corporation - 2015 Acquisition	539,869	-	175,098	364,771	179,912
Holman Corporation - 2017 Acquisition	141,097	-	33,681	107,416	34,721
Holman Corporation - 2017 Acquisition	232,530	-	43,824	188,706	45,126
Ford Explorer	12,788	-	10,159	2,629	2,628
Motorola Solutions	-	515,273	139,489	375,784	118,455
Engie Equipment Lease	-	19,680,992	-	19,680,992	-
Total Financed Obligations	<u>5,438,526</u>	<u>20,196,265</u>	<u>1,522,860</u>	<u>24,111,931</u>	<u>1,561,202</u>
Total Long-term debt	<u>\$ 5,438,526</u>	<u>\$ 20,196,265</u>	<u>\$ 1,522,860</u>	<u>\$ 24,111,931</u>	<u>\$ 1,561,202</u>

CITY OF VACAVILLE
Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 7 – LONG-TERM LIABILITIES, continued

Financed Obligations:

<u>Original Debt Amount</u>	<u>Outstanding June 30, 2024</u>	
\$ 2,626,700	\$ 232,672	<p>Sublease agreement with Vacaville Recreation Corporation (Corporation) and Agency. The Agency entered into an agreement, option to purchase and right of first refusal with the Corporation for the in-line/multi-purpose portion of the Vacaville Skating Center. Pursuant to a separate sublease agreement between the City and Agency, the City agreed to assume all rights and responsibilities of the Agency under the lease agreement. In the event of the City's inability to pay the sublease, the Agency is obligated to pay the Corporation the lease payments. The City also assumed the option to purchase the subleased premises for one dollar at the expiration of the term of the sublease or prepayment in full of the sublease payments. This sublease qualifies as a capital lease for accounting purposes and has been recorded as a capital asset and liability at the present value of the future minimum lease payments. Lease payments are paid monthly through September 2025. Lease payments are funded through the Parks and Recreation Capital Projects Fund.</p>
\$ 619,287	\$ 361,483	<p>Lease agreement between the City and Leasource Financial Services, Inc. to purchase a new equipment, a Peterbilt Water Truck. A lease payment of \$17,761 will be paid quarterly beginning January 2020 through October 2029 at an interest rate of 2.75%.</p>
\$ 1,800,000	\$ 929,908	<p>Lease agreement between the City and Leasource Financial Services, Inc. to purchase a new Public Safety radio communications system, including system components, radio dispatch console, and radio subscriber components from Motorola, Inc. A lease payment of \$53,144 will be paid quarterly beginning May 2019 through February 2029 at an interest rate of 3.35%.</p>
\$ 6,993,972	\$1,810,054	<p>Lease agreement between the City and PNC, LLC for facility improvement projects in progress throughout the City at an estimated cost of \$6,993,972 with an interest rate of 3.10%. Lease payment will be paid semi-annually beginning February 2014 through August 2026. Lease payments are funded through energy cost savings in the General Fund, Gas Tax and Special Revenue Maintenance Districts Funds.</p>
\$ 507,647	\$ 57,516	<p>Lease agreement between the City and Holman Corporation for the purchase of a dump truck and vactor truck at an estimated cost of \$507,647 with an interest rate of 2.89%. Lease payment will be paid annually through March 2025. Lease payments are funded through the Equipment Replacement Internal Service Fund.</p>
\$ 1,641,125	\$ 364,771	<p>Lease agreement between the City and Holman Capital Corporation for the purchase of a fire engine and ladder truck for Fire Station 75 at an estimated cost of \$1,641,125 with an interest rate of 2.75%. Lease payment will be paid annually beginning September 2016 through 2025. Lease payments are funded through the City's Equipment Replacement Internal Service Fund.</p>